Mobile Phone Insurance and Extended Warranties in the Asia-Pacific Region

Report Prospectus

June 2016

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What is the research?

Mobile Phone Insurance and Extended Warranties in the Asia-Pacific Region is about the market for insurance and extended warranties sold in conjunction with mobile phones in ten countries namely Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore and South Korea.

Mobile phones are defined as any mobile handsets that incorporate a conventional mobile telephony facility including smartphones. Mobile phone insurance and extended warranties can cover one or more of accidental damage, loss, technical breakdown and theft, as well as airtime abuse. This last provision covers any fraudulent use of a lost or stolen device. Furthermore, increasingly, it is also the case that mobile phone cover is being configured to cover other risks such as viral attacks, fraudulent use of e-wallets and accessory items.

The report draws on extensive primary and secondary research covering 395 organisations involved in the production and distribution of mobile phones including manufacturers, mobile network operators, specialised retailers of consumer electronics, supermarkets and other types of retailer (e.g. department store / variety retailers).

The PartnerBASE™ dataset that accompanies the report logs each of close to 100 schemes for manufacturer, mobile network operator or retailer extended warranties or insurance, showing both the operating model used and partners employed for programs that are not managed internally.

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What methodology has been used?

The majority of the research for this report, in addition to the associated PartnerBASE™ dataset and market data annexe, was undertaken during the first half of 2016. The research extended to a total of 395 organisations, breaking down by type and country as depicted in the graphics overleaf, and should account for most significant entities involved in the production and distribution of mobile phones in each country. In particular, the research answers the following questions:

• whether insurance and / or extended warranties are provided in association with the mobile phones manufactured or sold by these organisations;

• if so, whether cover includes protection in the event of accidental damage, loss, theft and / or airtime abuse in addition to technical breakdown;

• if so, how… through captive or internally-managed schemes, through a single partner, through multiple partners or through a combination of these?

• if through external entities, the identity of the partner(s) used in each instance.

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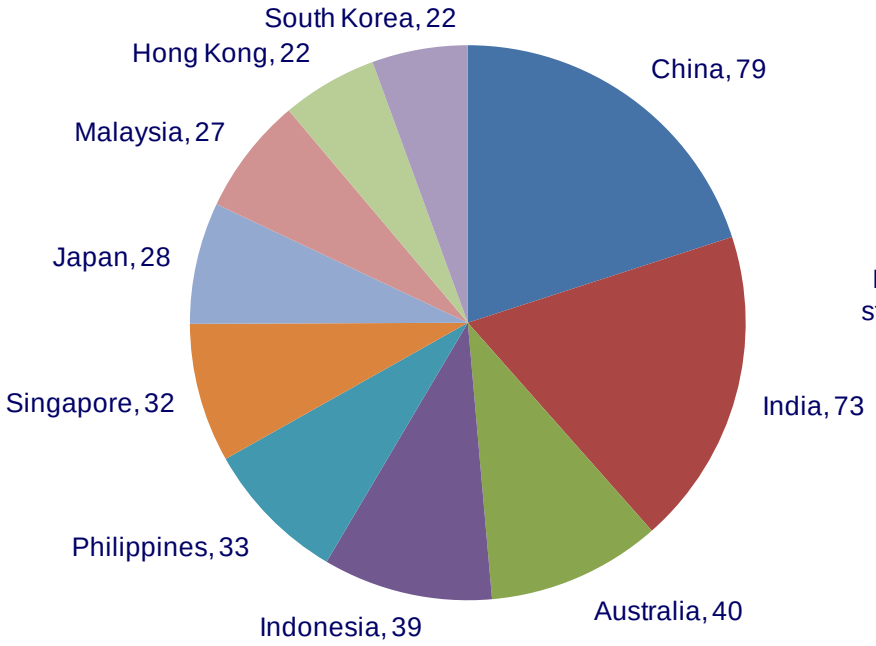
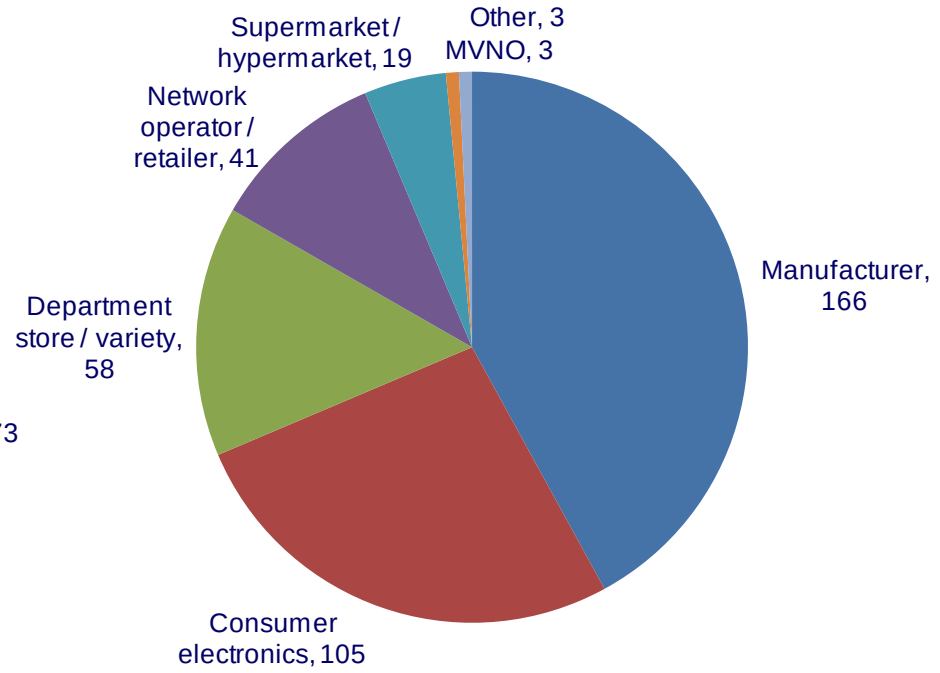
How do organisations surveyed break down?





Source: Finaccord

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What is the report structure?

Executive Summary: providing a concise evaluation of the principal findings of the report.

Introduction: offering rationale, description of methodology and some definitions.

Regional Overview: comprising an overview of the market for mobile phone insurance and extended warranties across all ten countries including a calculation of the value of this market in 2015, an assessment of how it has developed since 2011 and a forecast for the likely evolution up to 2019. In addition, this chapter analyses comparative penetration rates for insurance and extended warranty schemes among the manufacturers and retailers surveyed in each country and compares the operating models that they use for these programs.

Specific country chapters (ten): an in-depth analysis of the market for mobile phone insurance and extended warranties in each country including: introduction to the market for the underlying phones and subscriptions; survey results for manufacturers; survey results for retailers; analysis of risks covered by all schemes (i.e. accidental damage, airtime abuse, loss, technical breakdown and theft); existence of independent distribution channels; and estimates for the market size for mobile phone insurance and extended warranties in 2011 and 2015, with forecasts to 2019.

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What are the key features of the research?

Key features of this report include:

• quantification of the market size for mobile phone insurance and extended warranties: how much is the market likely to be worth across the ten territories considered in the Asia-Pacific region and how does it break down by country?

• analysis of extended warranty and insurance underwriters and brokers in each country that have established scheme relationships with manufacturers and retailers of mobile phones, including their unweighted and weighted share of partnerships;

• consideration of the potential for cross-selling stand-alone insurance and extended warranty policies through independent channels that are separate from either manufacturers or retailers: in which countries does a market exist for this form of distribution?

• forecasts for the market size for mobile phone insurance and extended warranties up to 2019: assuming no significant changes in the number of manufacturer and retailer schemes, what factors will cause this sector to grow or decline in the next few years?

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How can the research be used?

You may be able to use this report plus the PartnerBASE™ dataset and market data annexe that accompany it in one or more of the following ways:

• appreciate the size of the opportunity in the market for mobile phone insurance and extended warranties in the Asia-Pacific region: in aggregate, this is a substantial market;

• understand how fast-moving competitors are thriving in a number of countries in spite of the fact that the dynamics of this market have changed substantially in recent years;

• assess the position of national and international competitors such as AIG, AmTrust, Assurant, Asurion, Brightstar, Chubb, IAG, IC Frith, KB Insurance and The Warranty Group;

• consider how the value of the market for mobile phone insurance and extended warranties in the Asia-Pacific region may reasonably be expected to evolve up to 2019.

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How can the PartnerBASE™ be used?

Select country

Filter by category and sub-category of distributor

View operating model

Organisation	Country	Category	Sub-category	Distribution model	Extended warranty or insurance offered?	Operating model	Partner(s)
Hartono Elektronika	Indonesia	Retailer	Consumer electronics	Online only	Yes	External partner	Asuransi Adira Dinamika
Harvey Norman	Australia	Retailer	Consumer electronics	Mixed	Yes	External partner	IC Frith
Harvey Norman	Singapore	Retailer	Consumer electronics	Offline only	Yes	External partner	IC Frith
Heitian'er Electrical Appliance	China	Retailer	Consumer electronics	Offline only	Yes	Multiple external partners	Asurion, The Warranty Group
Heiwado	China	Retailer	Supermarket / hypermarket	Offline only	No		

Look up specific distributors

Filter by distribution model

Identify distributors with schemes

Identify extended warranty and insurance providers

Source: Finaccord PartnerBASE

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Who can use the research?

1. *Extended warranty and insurance underwriters and brokers:* this study is a unique guide to an under-researched yet significant and evolving market with regional potential – be fully appraised of what developments in this sector could mean for your organisation;

2. *Manufacturers, mobile network operators and retailers*: the magnitude of the market for mobile phone insurance and extended warranties, allied to apparently high profit margins, presents a revenue enhancement opportunity not only for the extended warranty and insurance providers but also for their partner organisations;

3. *Management consultancies:* are you helping an extended warranty or insurance provider to develop its business in the Asia-Pacific region, or are you advising a manufacturer or retailer with regards to how it can improve its profitability? If so, this research will provide you with important insights into the market for mobile phone insurance and extended warranties;

4. *Administration and repair firms:* a variety of other organisations can also benefit from the development of the market for mobile phone insurance and extended warranties – this study offers a comprehensive picture of the current state of this sector.

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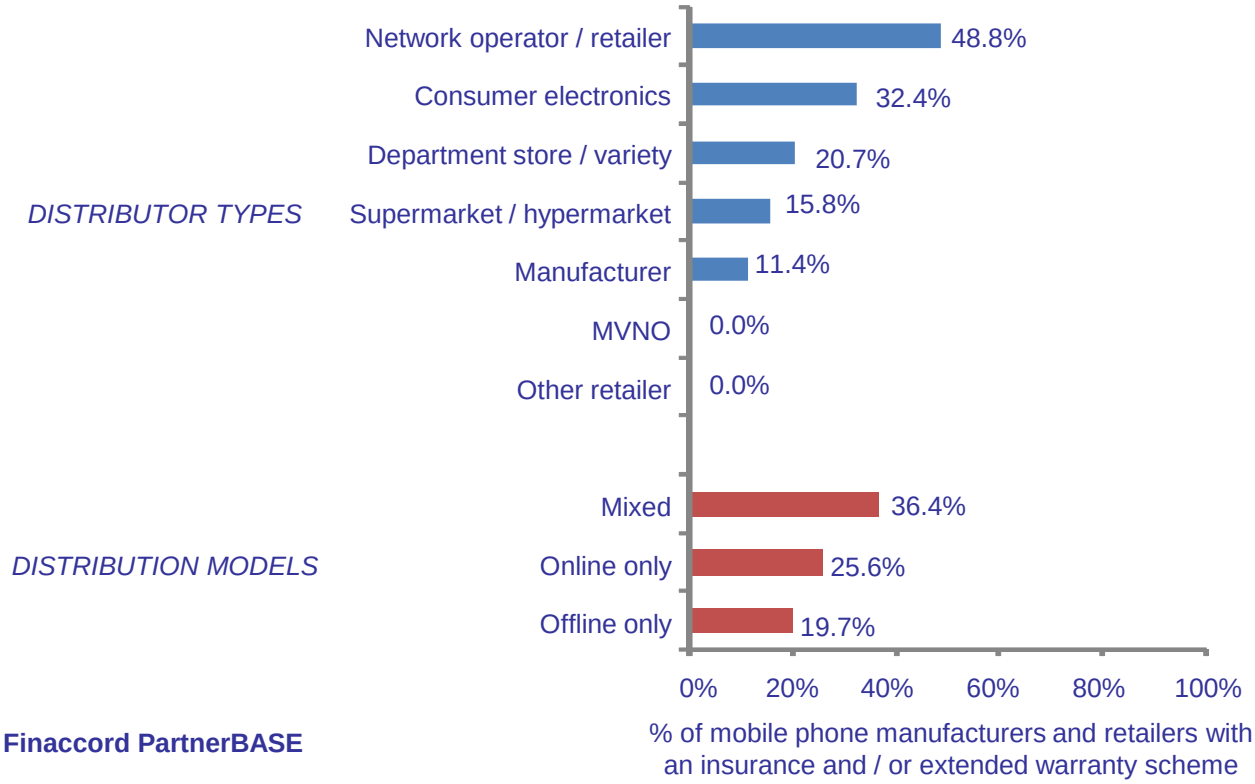
What are some of the key findings?

1. Across the ten countries, close to 50% of mobile network operators are distributors of mobile phone cover



Source: Finaccord PartnerBASE

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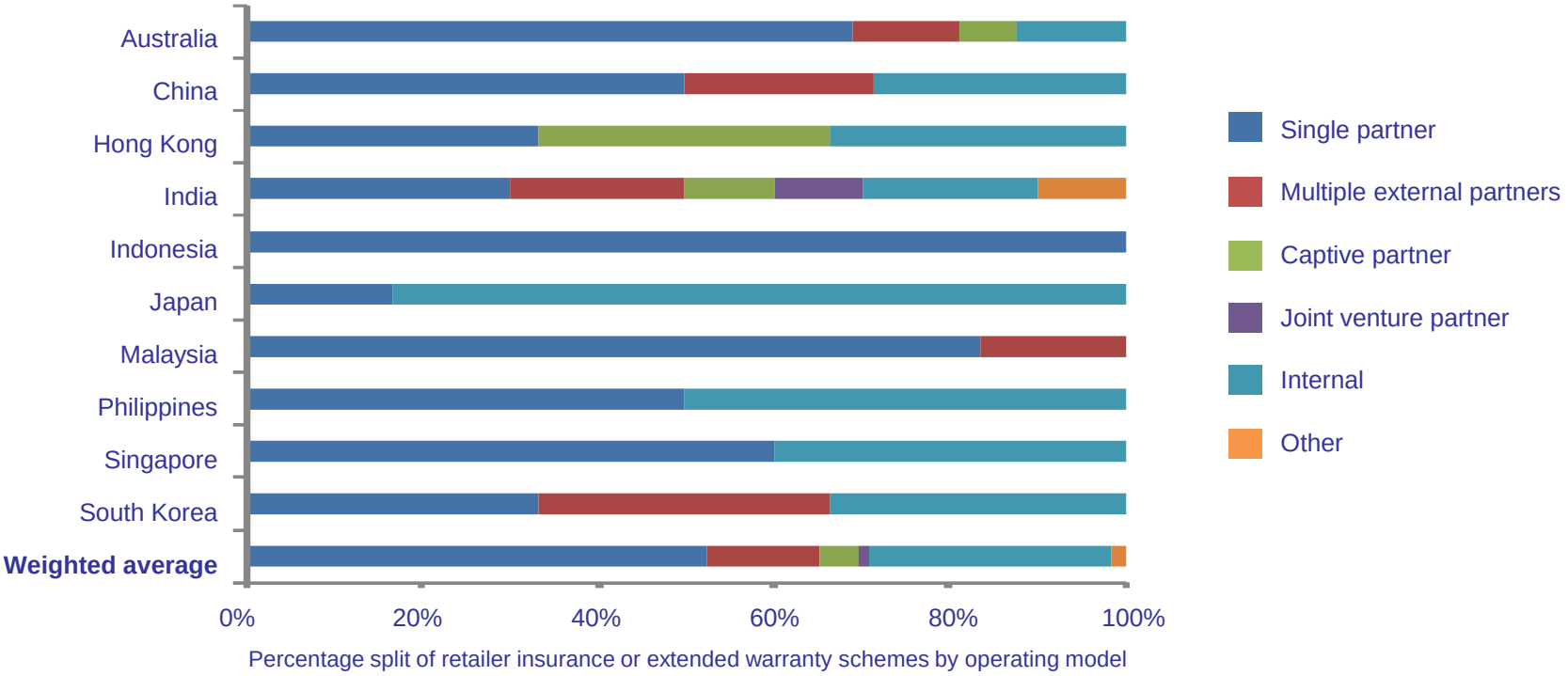
What are some of the key findings? (cont.)

2. Most retailer schemes for mobile phone insurance in the Asia-Pacific region are run in conjunction with a single, external partner



Source: Finaccord PartnerBASE

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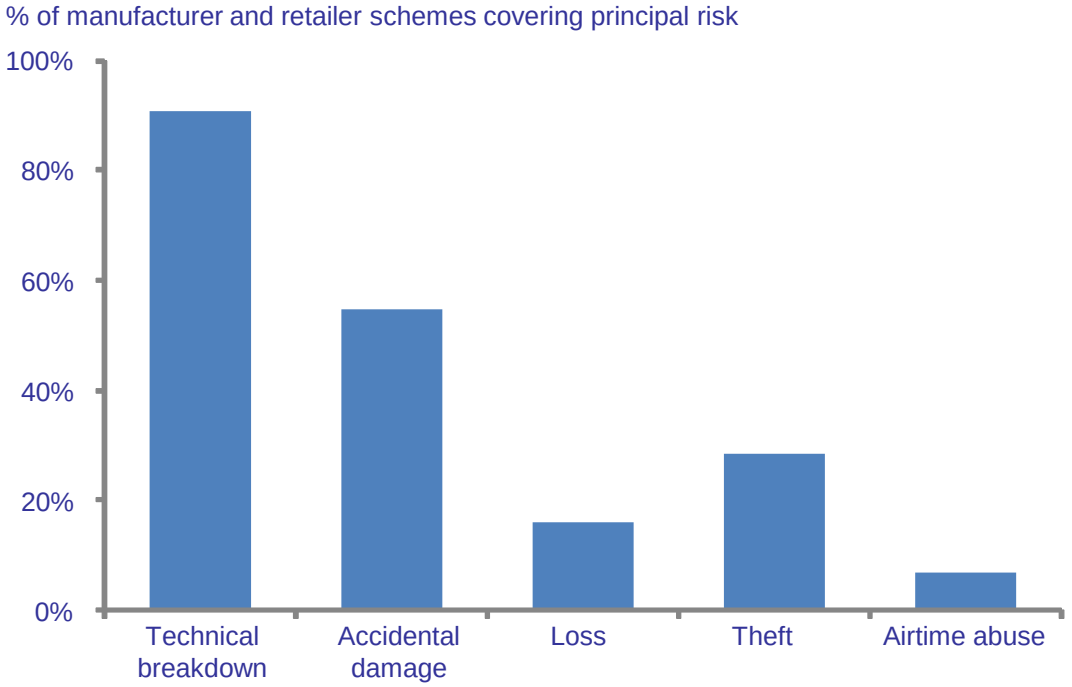
What are some of the key findings? (cont.)

3. Across the ten countries, over a half of manufacturer and retailer policies identified include an option to cover accidental damage but many fewer loss, theft or airtime abuse



Source: Finaccord research

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What are some of the key findings? (cont.)

4. Key findings from the executive summary include:

• by 2019, the market for mobile phone insurance and extended warranties across ten countries in the Asia-Pacific region is forecast to be worth around USD 2.74 billion in gross written premiums and other revenues having continued to grow consistently from its level in 2015;

• the rise in ownership of smartphones has significantly boosted take-up rates for mobile phone insurance in the Asia-Pacific region (and elsewhere), as individuals with such handsets are more likely to purchase insurance or extended warranty cover

• out of a total of close to 100 manufacturer and retailer insurance and extended warranty schemes identified, 52.2% were wholly dealt with by a single external partner, 13.0% by multiple external partners, 27.5% were managed by the manufacturer or retailer internally, and for the remaining 7.1% the operating model was an alternative one (such as a captive or joint venture provider);

• Finaccord's weighted analysis of partnerships for both manufacturer and retailer schemes combined across the Asia-Pacific region as a whole identifies Apple, Asurion, Rakuten and Sony as the likely market leaders.

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What is the cost and format?

Mobile Phone Insurance and Extended Warranties in the Asia-Pacific Region is available as a standard PDF document. The PartnerBASE™ and market data annexe that accompany it at no further charge are in Excel format. Costs for this research set and other related titles are as follows:

REPORT	COST *
Global Mobile Phone Insurance and Extended Warranties: A Worldwide Review	USD 5,595
Mobile Phone Insurance and Extended Warranties in the Asia-Pacific Region	**USD 2,595**
Mobile Phone Insurance and Extended Warranties in Europe	USD 3,495
Mobile Phone Insurance and Extended Warranties in the Americas	USD 2,095
Mobile Metrics: Consumer Approaches to Mobile Gadget and Phone Insurance and Extended Warranties in Selected Global Markets	USD 8,395
Mobile Metrics: Consumer Approaches to Mobile Gadget and Phone Insurance and Extended Warranties in … *	USD 1,395

** Country-specific 'Mobile Metrics' titles are available for Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK and the US.*
The three regional titles about mobile phone insurance and extended warranties are subsets of the global title.
For Singapore-based clients, GST at the prevailing rate will be added to the basic price.
Costs quoted are for one office / one country user licence only.
For other licence options, please see the next slide for further details.
Invoices can be paid in EUR or GBP, at the prevailing exchange rate, if preferred.

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How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord website, create your account (if you do not have one already) and place your order online. Products paid for online by card will be delivered immediately by e-mail but please allow up to one working day for delivery by e-mail if you choose to pay on receipt of invoice.

With regards to the **corporate user licence**, you will be asked to choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

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